

21 April 1949 E20-442-1

MEMORANDUM FOR THE DIRECTOR, CENTRAL INTELLIGENCE AGENCY

THROUGH: Executive, CIA

FROM : Assistant Director, Special Operations

SUBJECT: Authorization of Supplementary Allowances

1. Pursuant to Executive Order 10011, 22 October 1948, the Standardized Government Civilian Allowance Regulations replaced all existing allowance regulations, effective with the pay period containing 1 January 1949. Accordingly, CIA Administrative Instruction 30/1, dated 26 December 1948, was issued canceling Administrative Instruction 30/1, dated October, 1947, and prescribing that CIA employees will be paid overseas allowances in accordance with the provisions of applicable regulations issued by the Department of State, Bureau of the Budget and Civil Service Commission.

2. The new Allowance Regulations and CIA Administrative Order raised the immediate question as to whether or not previous authorizations of the Director to specific individuals to receive quarters allowances at rates other than those prescribed by regulation were to continue.

3. These special authorizations to receive quarters allowances at rates in excess of those prescribed by Bureau of the Budget Circular 1-3 and CIA Administrative Instruction 30/1 had been made when circumstances warranted to two groups of employees as follows:

a. Chiefs of CGO field stations below the grade, CAP-1.

b. Communications employees in the Middle East radio network [REDACTED] below the grade CAP-2.

4. The operational justification for the payment to certain [REDACTED] Chiefs of Station of quarters allowances in excess of those provided by regulation was as follows:

25X1

a. At certain locations, [REDACTED] Chiefs of Station have representative responsibilities as members of the [REDACTED] staff completely disproportionate to their salary grade. At at least one post, [REDACTED] the CIA representative.

25X1

25X1

25X1

[REDACTED] he would receive Group II quarters allowances, even under the current Standard Civilian Allowance Regulations.

b. At numerous other specific locations, it is deemed operationally desirable to enhance the prestige of the CIA rep-

SECRET



25X1

c. In a few instances it has been deemed operationally desirable that certain relatively low-grade Chiefs of Station develop a community position above that warranted by their [redacted] rank or salary grade. This has been accomplished in the past by limited authorization of Group II quarters allowances, permitting the [redacted] representative to rent more substantial quarters.

5. The operational justification for the payment of Group II quarters allowances to the Middle East communications network personnel below the grade CAP-9 was strict<sup>25X1</sup> one of practical necessity. Extremely adverse housing conditions in [redacted]

25X1

made it difficult to keep personnel in the field. The Director, CIA, sent [redacted] to the Middle East in 1947 to investigate conditions and upon the latter's suggestion the situation was alleviated by authorizing higher quarters allowances than the employees' grades would normally warrant. This was necessary, as in the Middle East there is an almost complete lack of "middle-class" housing facilities which an American medium-grade employee would normally be expected to occupy.

6. Pursuant to the preceding principles, the Director has authorized some 43 individual Chiefs of Station to receive Group II quarters allowances. The last of these authorizations was approved 10 December 1948. Likewise, the Director has approved the payment of Group II quarters allowances to low-level communications personnel in the Middle East. This authorization was reaffirmed by the Director on 27 October 1948.

7. The Office of the General Counsel has rendered the opinion that these authorizations became invalid 26 December 1948 with the promulgation of the new Standardized Allowance Regulations.

8. The problem resolves itself into the following questions:

a. Is it the Director's policy that CGO henceforth conform strictly to the Standardized Civilian Allowance Regulations?

CHI-RDP  
E

3

- b. Will the Director permit the future granting of additional allowances in the form of Special Living Allowances or Representative Allowances as provided in Paragraphs 6.2 and 6.3 for the operational justifications cited previously and deemed adequate in the past?
  - c. By what mechanics shall the changes in policy and procedures be effected?

9. The following recommendations are made:

- a. That OSG enforces strictly to the Standardised Government Civilian Allowance Regulations commencing with their effective date.
  - b. That OSG review all cases of special authorizations previously granted with a view toward eliminating any which may no longer be warranted in view of the generally upward revision of quarters allowances.
  - c. That if supplementary quarters or living allowances are deemed operationally necessary or desirable in the future, that they be authorized by ADSC in accordance with Paragraph 6.2 or 6.3 of the Confidential Funds Regulations.
  - d. That during the period necessary to review each case, the individuals to whom such increased allowances have previously been authorized continue to receive up to the dollar amount of their previously authorized maximum quarters allowances. This recommendation is made to remove any doubt as to the legal right to recover such overpayments in terms of present regulations as may have occurred, and to protect individuals who in good faith have incurred rental obligations in accordance with specific authorizations received from the Director.

25x11 A

Assistant Director, Special Operations

TO: ASSISTANT ATTENDANT AND SPECIAL DEPARTURES

Journal of Health Politics, Policy and Law, Vol. 26, No. 4, December 2001  
Copyright © 2001 by The University of Chicago

中華書局影印

WGT:aef R. H. HILLINROEFT'R  
Bear Admiral, USN  
Director of Central Intelligence

CC: Budget Officer  
General Counsel

卷之三

Appended to the present letter  
the enclosed.